

Quarterly Activities Report - 31 March 2018

Genetic Signatures Limited (ASX: GSS, “**Genetic Signatures**” or the “**Company**”) is pleased to report on its activities for the quarter ended 31 March 2018 (“3Q FY18”).

Highlights

- **+55% increase in sales revenue to A\$714k in 3Q FY18 on pcp**
- **Cash receipts of A\$1.25M in 3Q FY18**
- **Cash receipts for first 3 quarters in FY18 has exceeded the total for FY17**
- **Milestone European regulatory approval received for ‘antibiotic resistance’ detection kit post quarter end**
- **International expansion gaining momentum with advanced trials underway, progress with approvals and recruiting offers being made**
- **Well positioned for continued revenue growth with the upcoming domestic winter-flu season and more products on sale**
- **Strong balance sheet maintained with cash of A\$10.6m at 31 March 2018**

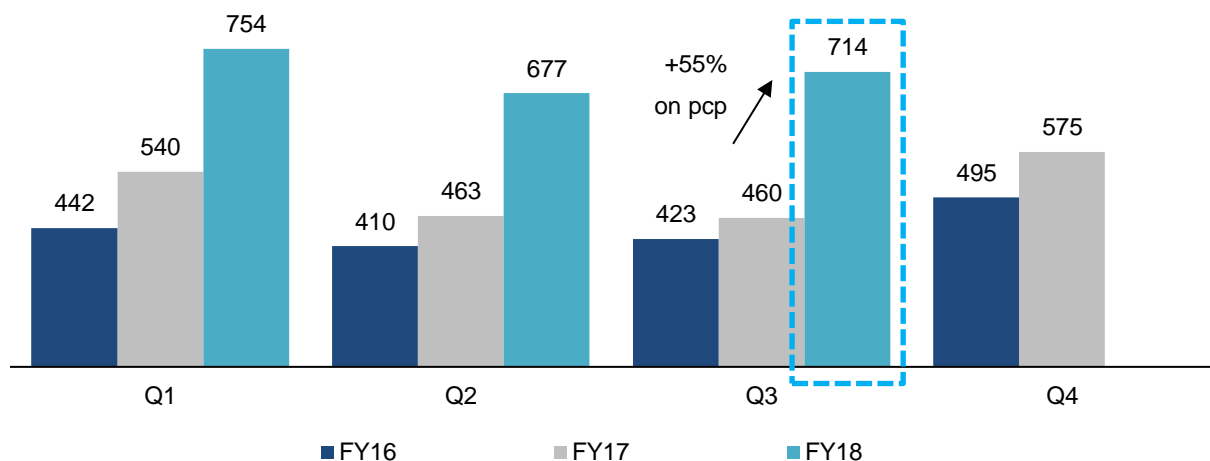
Genetic Signatures CEO, Dr. John Melki commented:

“Our continued sales and development efforts continue to translate into strong revenue growth over the last quarter, up +55% on pcp. We have successfully received repeat sales orders from our existing customers, as well as expanding product trials across domestic and international markets.”

“Our international strategy is gaining traction across multiple workstreams; our team has been active on the conference circuit and engaging with new potential customers, trials are advancing with a number of key international clients, and regulatory approval processes are underway. We remain focused on expanding into the key US and European markets which represent over 80% of the global Molecular Diagnostics (MDx) marketplace.”

Sales update

Figure 1: Genetic Signature’s quarterly revenue (A\$000)



Genetic Signatures achieved another consecutive quarter of strong revenue growth, with 3Q FY18 revenue of A\$714k, up +55% on 3Q FY17. Revenue growth was primarily driven by an increase in sales efficiency and an expanded product suite compared to 3Q FY17. Genetic Signatures is well positioned for continued revenue growth, entering the seasonally strong domestic winter-flu season with more products and a strong sales focus.

International sales update

During the March quarter, Genetic Signatures continued to progress its international sales strategy with several achievements including:

- Recruiting progressing rapidly
- Repeat orders of the Alphavirus/Flavivirus and Respiratory kits sold to the Kenya Medical Research Institute
- Continued progress towards submission for European regulatory approvals for the Respiratory and STI kits

As the product pipeline continues to grow, Genetic Signatures is continuing to drive exposure to its *EasyScreen*TM brand through the attendance at key industry conferences. For a second year, Genetic Signatures exhibited at the 25th International Molecular Medicine Tri-Conference (MMTC) in San Francisco on 12-14 February 2018.

Industry conferences allow Genetic Signatures to generate significant interest from experts in the MDx field and exhibit the growing number of *EasyScreen*TM viral and infectious disease reagents.

Approvals update

During the March quarter, Genetic Signatures accelerated the *EasyScreen*TM ESBL & CPO Detection Kit clinical program due to increasing customer demand for rapid detection of hospital 'superbugs' or 'antibiotic resistant' pathogens. European regulatory approval (CE-IVD) of the *EasyScreen*TM ESBL & CPO Detection Kit was achieved in April 2018.

*EasyScreen*TM ESBL & CPO organisms have proven challenging to detect and are a significant global concern. Commercial release of the *EasyScreen*TM ESBL & CPO Detection Kit is expected to improve rapid diagnosis, allowing treatment and ultimately saving lives. Approval was accelerated due to increasing customer demand for rapid detection of hospital superbugs, demonstrating Genetic Signatures ability to recognize and effectively respond to customer demands. Initial European sales are expected to commence in the coming quarter.

*EasyScreen*TM ESBL & CPO Detection Kit is the second fully approved product group for sale in Europe and provides a platform for continued customer and revenue growth in the near term. Domestic approval for the *EasyScreen*TM ESBL & CPO Detection Kit is expected in the coming quarter.

In addition to achieving European regulatory approval for the *EasyScreen*TM ESBL & CPO Detection Kit, Genetic Signatures is also nearing full TGA regulatory approvals for

Respiratory and STI kits. The Company also have trials and regulatory approval processes underway for the Respiratory and STI kits in Europe and the Enteric range in the USA.

Corporate update

Receipts from customers in the March quarter, as disclosed in the attached Appendix 4C report, was higher than revenue for the same period due to higher payments received from the December quarter being received this quarter.

At 31 March 2018, the Company held A\$10.6m in cash and cash equivalents, down from A\$11.7m at 31 December 2017.

Upcoming Activities

- Primary focus remains sales growth in international markets
- Commencement of new product trials with customers in the US and EU
- Potential receipt of regulatory registration for STI and Respiratory products in Australia and Europe
- FDA approvals progress with scientific validation and further clinical trials

- END -

For further information, see our website (www.geneticsignatures.com) or contact us as below:

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About Genetic Signatures Limited: Genetic Signatures is a specialist molecular diagnostics (MDx) company focused on the development and commercialisation of its proprietary platform technology, **3base™**. Genetic Signatures designs and manufactures a suite of real-time Polymerase Chain Reaction (PCR) based products for the routine detection of infectious diseases under the *EasyScreen™* brand. Genetic Signatures' proprietary MDx **3base™** platform technology provides high-volume hospital and pathology laboratories the ability to screen for a wide array of infectious pathogens, with a high degree of specificity, in a rapid throughput (time-to-result) environment. Genetic Signatures' current target markets are major hospital and pathology laboratories undertaking infectious disease screening.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

GENETIC SIGNATURES LIMITED

ABN

30 095 913 205

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,252	2,689
1.2	Payments for		
	(a) research and development	(643)	(1,770)
	(b) product manufacturing and operating costs	(209)	(670)
	(c) advertising and marketing	(77)	(261)
	(d) leased assets	(69)	(221)
	(e) staff costs	(881)	(2,597)
	(f) administration and corporate costs	(487)	(1,105)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	30	176
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,598
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,084)	(2,161)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(23)	(350)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Security Deposit)	-	(55)
2.6	Net cash from / (used in) investing activities	(23)	(405)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	11,722	13,193
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,084)	(2,161)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(405)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(5)	(17)
4.6	Cash and cash equivalents at end of quarter	10,610	10,610

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	605	679
5.2 Call deposits	10,005	11,043
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,610	11,722

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

193

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

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8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(598)
9.2 Product manufacturing and operating costs	(223)
9.3 Advertising and marketing	(82)
9.4 Leased assets	(107)
9.5 Staff costs	(959)
9.6 Administration and corporate costs	(368)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,337)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Not applicable	Not applicable
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 26 April 2018

Print name: Anna Sandham

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.